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DEPARTMENT OF STATE

[Public Notice 7924]

Notice of Intent to Prepare a Supplemental Environmental Impact Statement (SEIS) and to Conduct Scoping and to Initiate Consultation under Section 106 of the National Historic Preservation Act for the Proposed TransCanada Keystone XL Pipeline Proposed To Extend from Phillips, Montana (the Border Crossing) to Steele City, Nebraska.

AGENCY: Department of State.

ACTION: Notice.

SUMMARY: TransCanada Keystone Pipeline, L.P. (TransCanada) has applied to the United States Department of State for a Presidential Permit authorizing the construction, operation, and maintenance of facilities at the border of the United States for the importation of crude oil from a foreign country (Canada). Authorization is being requested in connection with TransCanada's proposed international pipeline project (the revised Keystone XL Project), which is designed to transport crude oil from the Western Canadian Sedimentary Basin and the Williston Basin to existing pipeline facilities near Steele City, Nebraska for onward transport to markets in the Texas Gulf Coast area. The Department of State receives and considers applications for Presidential Permits for such energy-related pipelines pursuant to authority delegated to it by the President under Executive Order 13337 of April 30, 2004 (69 FR 25299), as amended. To issue a Permit, the Department of State must find that issuance would serve the national interest. In the course of processing such applications, the Department consults extensively with concerned Federal and State agencies, and invites public comment in arriving at its determination.

The Department of State previously evaluated potential impacts resulting from construction, operation, and maintenance of a longer pipeline that would have terminated in the Port Arthur and east Houston areas of Texas. The Final Environmental Impact Statement for that proposed project was issued on August 26, 2011. On January 18, 2012, the Department announced its determination that the project – as presented and analyzed at that time – did not serve the national interest. Archived documents can be found at www.keystonepipeline-xl.state.gov/archive/index.htm.

TransCanada has submitted a new Presidential Permit application with a revised proposed route that extends from the Canadian border in Phillips County, Montana to Steele City, Nebraska and avoids the Sand Hills region of Nebraska. The Nebraska Department of Environmental Quality has identified the Sand Hills region and is currently evaluating the potential impacts associated with the proposed new route(s). The Department of State has entered into a Memorandum of Understanding with the Nebraska Department of Environmental Quality to facilitate coordination and cooperation between the State and the Federal government. TransCanada has indicated to the Department of State that it has decided to proceed with construction of a pipeline from Cushing, Oklahoma to the Gulf Coast of Texas, which had been included as part of the Keystone XL project in the previous application, as an independent project. Thus, TransCanada did not include the proposed pipeline from Cushing to the Gulf Coast as part of the project in the revised Presidential Permit application.

With respect to the application submitted by TransCanada, the Department of State has concluded, consistent with the National Environmental Policy Act (NEPA) of 1969, that the issuance of the new Presidential Permit would constitute a major Federal action that may have a significant impact upon the environment. For this reason, Department of State intends to prepare a Supplement to the Final Environmental Impact Statement dated August 26, 2011, to address reasonably foreseeable impacts from the proposed action and alternatives. Additionally the Department of State has determined that it will undertake a review of the potential issuance of the Presidential Permit consistent with Section 106 of the National Historic Preservation Act and is consequently initiating the appropriate

consultation. Consultation will be conducted with State Historic Preservation Officers, Indian tribes, and the Advisory Council on Historic Preservation, and other consulting parties, as appropriate, to determine the locations (if any) of potential sites for inclusion on the National Register of Historic Places as well as the potential eligibility and findings of effect for cultural resources identified within the Keystone XL Area of Potential Effect. The purpose of this Notice of Intent (NOI) is to inform the public about the proposed action, announce plans for scoping opportunities, invite public participation in the scoping process, and solicit public comments for consideration in establishing the scope and content of the SEIS.

DATES: Department of State invites interested agencies, organizations, and members of the public to submit comments or suggestions to assist in identifying significant environmental issues, measures that might be adopted to reduce environmental impacts, and in determining the appropriate scope of the SEIS. The public scoping period starts with the publication of this Notice in the Federal Register on June 15, 2012 and will continue until July 30, 2012. Written, electronic, and oral comments will be given equal weight and State will consider all comments received or postmarked by July 30, 2012 in defining the scope of the SEIS. Comments received or postmarked after that date may be considered to the extent practicable.

Public scoping opportunities are designed to provide opportunities to offer comments on the proposed project. Interested individuals and groups are encouraged to present comments on the environmental issues they believe should be addressed in the SEIS. Again, written comments are considered with equal weight in the process relative to those received in the public scoping meeting.

During this public scoping period, the Department of State also plans to use the scoping process to help identify consulting parties and historic preservation issues for consideration under Section 106 of the National Historic Preservation Act and its implementing regulations (36 CFR Part 800).

ADDRESSES: Written comments or suggestions on the scope of the EIS should be addressed to: Genevieve Walker, OES/ENV Room 2657, U.S. Department of State, Washington, DC 20520. Comments may be submitted electronically to <http://www.keystonepipeline-XL.state.gov>. Public comments will be posted on the Web site identified below.

FOR FURTHER INFORMATION CONTACT: For information on the proposed project or to receive a copy of the draft SEIS when it is issued, contact Genevieve Walker at the address listed in the ADDRESSES section of this notice by electronic or regular mail as listed above, or by telephone (202) 647-6849 or by fax at (202) 647-5947.

SUPPLEMENTARY INFORMATION:

Project Description

TransCanada proposes to construct and operate a crude oil pipeline and related facilities from an oil supply hub near Hardisty, Alberta, Canada to the northernmost point of the existing Keystone Pipeline Cushing Extension at Steele City, Nebraska. The pipeline is anticipated to be 1,179 miles long (329 miles of that are in Canada) and has an initial capacity of 830,000 barrels per day. To connect the Canadian and U.S. portions of the pipeline project, TransCanada must first obtain a Presidential Permit from the Department of State authorizing the construction, operation, and maintenance of the pipeline and related facilities at the international border.

The SEIS Process

The Department of State, consistent with NEPA, will take into account the environmental impacts that could result from the approval of a Presidential Permit authorizing construction, operation, and maintenance of pipeline facilities for the importation of crude oil to be located at the international border of the United States and Canada. The Department of State will use the SEIS to assess the environmental impacts that could

result if TransCanada is granted a Presidential permit for the revised Keystone XL Pipeline Project. The SEIS will supplement the August 26, 2011 FEIS, by including information and analysis about potential impacts associated with the new proposed route(s) within Nebraska, as well as about any other subjects that may need to be updated because there exists significant new circumstances or information relevant to environmental concerns bearing on the proposed action or its impacts. The Department of State will select a Third-Party Contractor to help prepare the SEIS. The SEIS will be prepared under the direction of the Department of State and will be reviewed by the cooperating agencies.

In the SEIS, the Department of State will discuss impacts that could occur as a result of the construction and operation of the revised proposed project under these general headings:

- Geology and soils;
- Water resources;
- Fish, wildlife, and vegetation;
- Threatened and endangered species;
- Cultural resources;
- Land use, recreation and special interest areas;
- Visual resources;
- Air quality and noise;
- Socioeconomics;
- Environmental Justice; and,
- Reliability and safety.

In the SEIS, the Department of State will also evaluate reasonable alternatives, including a "no action alternative," to the proposed project or portions of the project and make recommendations on how to lessen or avoid impacts on affected resources.

The Department of State's independent analysis of the issues will be included in a draft SEIS. The draft SEIS will be published and mailed to relevant Federal, State, and local government agencies, elected officials, environmental and public interest groups, Indian tribes, affected landowners, commenters, local libraries, newspapers, and other interested parties. You are encouraged to become involved in this process and provide your specific comments or concerns about the proposed project. By becoming a commenter, your concerns will be considered by the Department of State and addressed appropriately in the SEIS. Parties interested in being involved in Section 106 consultation should also contact the Department of State.

The Department of State will consider all timely comments on the draft SEIS and revise the document, as necessary, before issuing a final SEIS.

Project details and environmental information on the Keystone XL Project application for a Presidential Permit, including associated maps are downloadable from a Web site that is being established for this purpose: <http://www.keystonepipeline-XL.state.gov>. This Web site is expected to be operational on or about June 15, 2012. This Web site will accept public comments for the record.

Information on the Department of State Presidential Permit process can also be found at the above Internet address.

A TransCanada hosted project Web site is also available at <http://www.transcanada.com/keystone.html>. The Keystone XL Project toll-free number is 1-866-717-7473 (United States and Canada).

June 13, 2012

Genevieve Walker

Date

NEPA Director

Bureau of Oceans and International Environmental and Scientific Affairs/Office
Of Environmental Policy

U.S. Department of State

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